

**HOUSING COMMITTEE PUBLIC HEARING
SENATE BILL 155
SUBMITTED BY CHARTER OAK COMMUNITIES**

The Housing Authority of the City of Stamford, d/b/a Charter Oak Communities ("COC") is opposed to Senate Bill 155. The bill seeks to encourage the creation of affordable housing in areas of the State where the existing population has less need of housing assistance, and is less disadvantaged overall. The goal of this policy, and of others that have been promulgated on the Federal and State level, is to provide housing opportunities for low-income households in areas where they are otherwise less likely to reside.

While the policy goal seems laudable, the theory behind it is questionable and the results are unlikely to be those that the supporters of the policy envision. Targeting scarce housing assistance (in this case Low-Income Housing Tax Credits) to areas where most needy people are not located means that the housing developed with the targeted assistance will not serve those most in need unless there is a migration of disadvantaged households from their current communities to new ones preferred by the policy makers.

Our objections to this approach reflect two basic positions:

- 1) People should not have to leave their communities and the support systems they have established in order to receive housing assistance. It is simply inappropriate to force a family to choose between leaving friends, relatives, house of worship, schools, and quite possibly employment, and receiving housing assistance.
- 2) Disadvantaged communities can be stabilized and improved to become vital mixed-income neighborhoods. Removing people from these neighborhoods and directing assistance elsewhere undermines community development and improvement efforts.

Relocation of households from areas considered to provide low opportunities to those viewed as having higher opportunities generally involves moving people from more densely populated urban areas to suburban or exurban areas. Many of the families to be relocated will not have a car, or may not have a reliable car, or will have been sharing one with other family members not being relocated. In their new location, a reliable vehicle will be an essential, and expensive, acquisition. Relocated households will also require child care, which is likely to have been previously provided by family members or in a nearby facility with lower costs than will be available in their new location. Employment opportunities are more numerous and more varied in the urban areas in which the target families now reside. Relocation often means searching for a new job, and employment opportunities in the new community may not match the skills of the households being moved.

Historically, the goal of most programs providing housing assistance was to create new housing within disadvantaged and underserved communities. This achieved the dual purpose of assisting people in their

own neighborhood while strengthening the community and making it more attractive to private investment by creating incentives to existing property owners to make improvements and address deferred maintenance issues. There are multiple examples in the urban areas of Connecticut where the value of this approach has been proven, and there is no reason to believe it will not continue to be successful.

In more recent decades, the goal of housing mobility, or de-concentration of low-income populations, has become popular. The theory is that because conditions are difficult in low-income communities, people are better off moving someplace else. This simple approach ignores people's preference for where they wish to live - it tells them where they should live. It also ignores the support systems that families have developed in their communities and the relationships they have established. Significantly, the mobility approach also ignores the fate of the neighborhoods households are to be relocated from.

Many urban neighborhoods that are considered low opportunity areas are under the pressure of gentrification, either currently or in the future. The creation and preservation of affordable housing in these transitioning communities is necessary to avoid the loss of such resources as housing values and rents increase. Other urban, low opportunity, areas may not be at immediate risk of gentrification, but instead would benefit from the public and private investment, and confidence building, that comes with new affordable and mixed-income housing development.

Senate Bill 155 would deprive low-income communities, both urban and the State's most rural, of two thirds of the annual allocation of Low-Income Housing Tax Credits, the most important and valuable component of the financial structure of affordable housing. Without a comprehensive support program to provide households being relocated to suburban and exurban communities, including transportation, child care, school transition assistance, and employment training and placement, it is likely that few of the neediest families will benefit as the bill's sponsors intend.

It is also clear that neglecting the historic community improvement approach will result in a loss of affordable housing to gentrification in some areas and further decay and deterioration in others. We believe it makes more sense and is much more efficient and cost-effective to direct the scarce resources available to the communities in which low-income people reside, and to help those communities become healthy, thriving, diverse neighborhoods.

For additional information, or if the Committee has any questions regarding the activities of Charter Oak Communities or its position regarding Senate Bill 155, please contact Jonathan Gottlieb at 203 977-1400 ext. 3405, or jgottlieb@charteroakcommunities.org.